Effect of hike in export duty on Iron ore exports to China

3679. SHRI EKANATH K. THAKUR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that India's $ 5 billion iron ore exports to China are set to be hit as Chinese importers have threatened to boycott Indian iron ore shipments unless the suppliers absorb the Rs. 300 per tonne export duty proposed in the budget;

(b) whether it is a fact that the budget proposal has made Indian iron ore expensive by $ 8 per tonne in Chinese spot market, compared to imports from Australia, Brazil and South Africa; and

(c) if so, the steps Government propose to take to ensure that Indian mining industry does not lose and important export market?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) After the imposition of export duty, the export of iron ore during the month of March, 2007 was down as compared to the export during the corresponding period of 2006. Except some media reports of boycott of iron ore import by China from India, there has not been any communication to the Government of India in this regard.

(b) It is the fact that after imposition of export duty since 1.3.2007, Indian iron ore has become expensive in Chinese spot market by about US$8 per Metric Tonne. However, price of iron ore depends upon number of factors like price of competitors, freight cost, quality etc. as customers compare price on landed price basis. Price of iron ore in Chinese market from other origins has also gone up.

(c) On reconsideration, Government has since reduced export duty on iron ore fines with Fe content 62% and below from Rs. 300/- per metric tonne to Rs. 50/- per metric tonne.

Review of SEZ Policy

3680. PROF. P.J. KURIEN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have decided to review the policy of Special Economic Zones in view of the resistance from the farmers;

(b) if so, the details thereof;

(c) the number and details of SEZs already sanctioned;

(d) the number of farmers displaced from the above SEZs; and

(e) the details of the steps taken to rehabilitate those farmers?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Various issues concerning the Special Economic Zones (SEZs) policy have been considered by the Government and it has been decided that applications for SEZs may be processed for in principle & formal approvals and notifications subject to the condition that the State Governments would not undertake any compulsory acquisition of land for such SEZs. Further, it has been decided to fix the upper limit of the area required for multi product SEZs at 5000 hectares with the provision that the State Governments may prescribe a lower limit. Ministry of Rural Development has been requested to reformulate a comprehensive Land Acquisition Act to address all relevant issues and also to work out a comprehensive Resettlement and Rehabilitation Policy ensuring livelihood from the project to at least one person from each displaced family.

(c) to (e) 234 valid formal approvals for setting up SEZs have been granted since the operationalisation of the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006 came into effect on 10th February, 2006. The total land area in the 234 valid formal approvals granted so far is approximately 33,800 hectares. In all these 234 cases, there was no fresh acquisition of land since the land was already in possession of either the State Industrial Development Corporations or the developers.

Acquisition of farmland for SEZs by industries themselves

3681. SHRI S.P.M. SYED KHAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to leave the responsibility acquiring farmlands for SEZs to the industries concerned;

(b) if so, the details thereof; and